

Exchange Stakeholder Work Group  
Tuesday November 13, 2012  
8:00am  
Meeting Minutes

Attendees: Michael Varadian, Christine Amadeo, Tom Savoy, Craig O'Connor, Al Charbonneau, Mark Deion, Amanda Clarke, Linda Katz, Dan Meuse, John Cucco, Sarah Nguyen, Sam Slade, Kimberly Muldoon, Peter Howland, Rich Glucksman, Dawn Wardyga, Linda Johnson, Rele Abiade Ritter, Rebecca Martish, Michelle McGreevy, Marti Rosenberg, Jim Beasely, Tara Townsend, Susan Roberts, Terrie Martiesian, Jim Borah, Arthur Plitt, Meg Ivatts, Elaina Goldstein,

- I. Call to Order – Amy Black with the Exchange team called the meeting to order at 8:00am. She welcomed members and introduced herself as the newest member of the Exchange team. She advised that a handout with a listing of Exchange staff and support teams is available along with the agenda today. Ms. Black gave an overview of the meeting.
- II. Presentation – John Cucco, Exchange Team, SHOP small business strategy discussion. (Slides available on website and upon request)  
Questions/Comments during presentation:
  - a. Tom Savoy: Are you using the same definition of small business of ACA -50 FT employees?
    - i. John Cucco: Yes – no mandate for small groups to offer insurance, but do what to encourage it.
  - b. Jennifer Wood: Employers having limited choice vs. an offer on the exchange...
    - i. John Cucco: It is in consideration, will see different models of choice further in the slides.
  - c. Dawn Wardyga: Would like to comment that we should be aware of those companies that only hire part time employees so as to ensure they do not have to provide health insurance. Would like to suggest we have some sort of contingency plan for that.
    - i. John Cucco: Right, it is a real issue how can we minimize the incentives that have employers continue to
  - d. Linda Katz: How would this encourage a predictable rate of increase?
    - i. John Cucco: Because the employer would have more flexibility for the rate of control.
  - e. Sam Slade: What is the basis for believing that administratively this will be easier?
    - i. John Cucco: As we build we watch for that. The employer when they sign up will have to choose a benchmark plan to peg contribution amounts to – if an employee choses to buy a more expensive plan then he/she pays for that, less of decision making for the employer for what will work for all employees.

- f. Unidentified Participant: Do you have some sense of the new and innovative products you are looking at?
  - i. John Cucco: We have some sense but do want to leave room for carriers to innovate, so we are being intentionally flexible.
- g. Jennifer Wood: We want people to be aware of most affordable option regardless of purchasing method, but just putting it out there.
  - i. Linda Katz: Second.
  - ii. Mark Deion: Third.
- h. Peter Howland: Why are you creating two sets of plans, one for SHOP and one for the Individual market? Why not use the same interface?
  - i. John Cucco: The candid answer is that we would love to if we could. There are differences in state law and nuances in the federal law, which prevent us from doing so. We cannot enroll someone from one to the other as our two markets are not merged.
  - ii. Mark Deion: Then why do we not work to change state law to allow us to merge the markets?
  - iii. John Cucco: That is something that we are considering – there was a bill from the Governor’s office last year that was put forward that would have merged the markets, but it did not pass. At this juncture it is a bit late in the game for our start date of 2014, but still a valid point for consideration. In terms of customer experience when you use the exchange there will be a few difference on eligibility references. Once past that, the experience of shopping for a plan will be very similar for employees and individuals.
- i. Unidentified Participant: At the point where the employee is going into the website and trying to determine their plans, or anticipate will have to be some prep work before hand?
  - i. John Cucco: We are hoping for real time eligibility enrollment, prep work done to connect information resources.
- j. Rich Glucksman: Small Employers who have not offered coverage will see this as an incentive to start providing coverage and that coupled with the small business tax credit perhaps see a higher enrollment number?
  - i. John Cucco: Absolutely. Have seen that in Massachusetts.
- k. Peter Howland: Would it be useful to have on site teaching and presentations for the SHOP and introduce it to employers, in much the same way that the ACA requires you do that for the individual market.
  - i. John Cucco: Great suggestion, will take under consideration.

- III. Updates – Director Christine Ferguson, Exchange. Quick updates on Consumer Support and Exchange Staffing
  - a. As we look at the Call Center, a number of questions raised about how we work with brokers are now being taken under consideration. Call Center draft RFP being put up for review shortly. Customer support

piece will then go out for general comment, and then out for RFP shortly thereafter. Questions?

- b. Sam Slade: How are we feeling about timelines?
  - i. Director Ferguson: I think the timelines are very aggressive, and I believe that it is clear the federal government is sensitive to that as well – they have pushed back the Blueprint timeline by one month, for example. We have every intention of meeting the deadline of open session on October 1, 2013 – it may not be perfect, but we will have it ready for initial interactions.
- c. Jennifer Wood: As we look at John's presentation this morning, a lot of it looks to have the SHOP similar to the individual market. Perhaps you could share your ideas to the innovation that needs to occur?
  - i. Director Ferguson: Thus far a focus has been on cost sharing and deductibles, high performing networks and other entities that can be in place by January 1, 2014. There are many discussions that have been ongoing around retooling some aspects of how integrated primary care and hospital services are, and how health plans may work with providers to create more affordable options.
- d. Sam Slade: Concerned about cost, certainly, especially in terms of innovation, scalability, and cost of infrastructure of the exchange itself.
  - i. Director Ferguson: The initial investment is by the federal government, but the sustainability of management is indeed a major consideration. Considering the number of potential enrollees, we are looking at different ways of approaching those expected enrollees, and then to widen our market in future to have a fairly robust number of folks in the exchange in the years to come. For the SHOP, the hope is to make it clear that we want to have a plan with contributions more negotiable, and wider options available in the years ahead. The additional value pieces are the things that will make or break the exchange in the long run.
- e. Mark Deion: If we say the current healthcare system is a widget, say it is \$1, and it is labeled as unaffordable. The federal government has made the initial investment, but said you are the R&D department, make it cost less than a \$1 – can we do that?
  - i. Director Ferguson: Note a difference in your suggestion – with widget production the delta will go down, but in healthcare the delta always goes up. My goal would be to have one or two widgets that in the long run does go down, but recall we are using it for better productivity. We are trying to work with manufacturers for a less expensive version, but in the short term that will be difficult. Tying to the earlier conversation - infrastructure and technology is difficult and expensive for

sure, but the benefits to society make it affordable and headed overall in the right direction.

- ii. Mark Deion: To your point though, with volume, how do you get the volume in one area, and then turn around and on a different desk be working to reduce the cost on the widget.

Director Ferguson: Yes, the challenge is we need to add and work on what is available in the current market

- f. Linda Katz: In terms of volume and having more purchasing power, I had thought that with the small group the exchange would be purchasing for the small group and the individual. Can you clarify?

- i. Director Ferguson: This comes down to small businesses working with us to offer a design that is worthwhile so that they will use the exchange. Do have a discussion then with carriers about both, together. The idea is there are a number of players at the table, all discussing their concerns bringing their work to the table, which is there to work on making the value commensured with the price.

- g. Dawn Wardyga: At this stage of the game, is there a place behind the scenes where there is a segment of the stakeholder group you perceive as being resistant?

- i. Director Ferguson: Interesting question. I cannot tell if it is because there are a number of players in the state who are willing to entertain things that would never have been entertained years ago, with a Governor and Lt. Governor work together to move things forward, a broker community on board, new leadership at health plans that is radically different from the past, new leadership in hospital systems, new work from the Health Insurance Commissioner and the Secretary of HHS that is moving health planning forward – all this to say there is a different flavor to move this all forward than there was 20 years ago. We are building into this new systems integrator new data and components we could have, or did not exist in our state in the past. The stakeholder piece has been really challenging for me is what do you do for the populations that are advocated for, but are always fighting forward as they have to make up lost ground (disabled population, etc.). This will give us a capacity for that interaction between those advocates, carriers, providers and regulators to have a full discourse on issues that may have been lost or caused speed bumps in the past. May not be ready on Day 1, but it is a major expectation.

- ii. Dawn Wardyga: If there is resistance from a stakeholder due to lack of engagement or lack of understanding, perhaps think about how we may best tackle pockets of resistance in a timely way so they do not feel disenfranchised and then step out of the conversation out of frustration.

- iii. Director Ferguson: Absolutely, and to that end, we do now have Amy Black on board, and if you do feel concerned that those pockets are present, you reach out to her.
- h. Peter Howland: Are we looking at the options of capitated coverage - Dr. Fine raised the issue of making RI a place for capitated pediatric throughout the state?
  - i. Director Ferguson: I don't think that is happening right now. I am fairly certain there have been conversations between providers and carriers about those kind of options, but we are trying to take each of the pieces of all conversations. The exchange does provide the capacity for these conversations.
- i. Al Charbonneau: Savings have a way of vaporizing; do you have a means of keeping score?
  - i. Director Ferguson: Are we trying to build it? Yes. There are a lot of initiatives underway in the state, through the Lt. Governor's office, through Coordinated Health Planning, that we can collectively bring together conversations about how much capitol investment do we want to make. Again, the profound difference made by having more collaborative leadership in our state is very helpful.

IV. Public Comment

- a. No further public comment was offered at this time.

V. Adjourn